

# HOUSE . . . . . No. 1471

By Mrs. Owens-Hicks of Boston, petition of Shirley Owens-Hicks and others for legislation to further define the term “community development project” under the law relative to urban renewal. Community Development and Small Business.

## The Commonwealth of Massachusetts

### PETITION OF:

Shirley Owens-Hicks	Elizabeth A. Malia
Thomas M. Menino	Kevin G. Honan
Gloria L. Fox	Brian Paul Golden
Jarrett T. Barrios	

In the Year Two Thousand and Five.

### AN ACT TO FACILITATE COMMUNITY DEVELOPMENT PROJECTS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1     SECTION 1. Section 1 of Chapter 121B of the General Laws,  
2     as so appearing, is hereby amended by striking out the definition  
3     therein of “Community Development Project” and inserting in  
4     place thereof the following definition:—  
5     “Community development project”, a work or undertaking on  
6     property which is publicly owned or managed, or owned or man-  
7     aged by a community development corporation, or other qualified  
8     not-for-profit community-based organization, for the installation,  
9     improvement, construction, alteration, enlargement, repair, reha-  
10    bilitation, remodeling or reconstruction of buildings or other  
11    structures, facades, streets, roadways, thoroughfares, sidewalks,  
12    retaining walls, rail spurs, utility distribution system, water and  
13    sewer lines, parks, playgrounds, for site preparation and improve-  
14    ments, including demolition of existing structures, preservation or  
15    protection of water tables on or adjacent to the property, reloca-  
16    tion assistance and for other like improvements necessary or  
17    desirable for the revitalization of the area in which the project is

18 located or the acquisition of property on which any of the fore-  
19 going is being or will be undertaken.

1 SECTION 2. Section 1 of Chapter 121B of the General Laws,  
2 as so appearing, is further amended by inserting the following  
3 new definition immediately after the definition of “Clearance pro-  
4 ject”:—

5 “Community development corporation” — a not-for-profit cor-  
6 poration as defined under Chapter 40F of the General Laws, orga-  
7 nized under Chapter 180 of the General Laws and certified under  
8 Section 501(c)(3) of the United States Internal Revenue Code.

1 SECTION 3. Section 1 of Chapter 121B of the General Laws,  
2 as so appearing, is further amended by inserting the following  
3 new definition immediately after the definition of “Development  
4 cost”:—

5 “Economically distressed area” — an area characterized by any  
6 or all of the following conditions: high unemployment, pervasive  
7 poverty, a concentration of lower-income persons, significant job  
8 dislocation due to plant closings, military base closings or other  
9 similar conditions. Areas designated by the Federal Government  
10 as urban enterprise communities or empowerment zones shall be  
11 considered economically distressed areas.

1 SECTION 4. Section 1 of Chapter 121B of the General Laws,  
2 as so appearing, is further amended by inserting the following  
3 new definition immediately after the definition of “Operating  
4 agency”:—

5 “Qualified not-for-profit community-based organization” — a  
6 not-for-profit corporation organized under Chapter 180 of the  
7 General Laws and certified under Section 501(c)(3) of the United  
8 States Internal Revenue Code and determined by the department  
9 of housing and community development to have the experience  
10 and capacity necessary to carry out the proposed community  
11 development project.

1 SECTION 5. Section 57A of Chapter 121B of the General  
2 Laws is hereby amended by striking subsection (b) and inserting  
3 in its place the following:—

4 (b) No application for a community development action grant  
5 shall be made until a public hearing relating to the proposed com-  
6 munity development project has been held after due notice before  
7 the appropriate municipal officers of the city or town. The depart-  
8 ment shall not approve any community development project  
9 unless it finds that:—

10 (1) The project area is a decadent, economically distressed,  
11 substandard or blighted open area;

12 (2) The project will be in the public interest and consistent with  
13 the sound needs of the community as a whole. Any benefit to pri-  
14 vate entities or individuals must be necessary and incidental to  
15 achieving the primary public benefit of the project. The project  
16 will provide measurable public benefits in reasonable proportion  
17 to amount of community development action grant assistance pro-  
18 vided;

19 (3) The project area would not by private enterprise alone, and  
20 without either government subsidy or the exercise of govern-  
21 mental powers, be made available for redevelopment.

22 (4) The amount of the grant to be provided appears to be the  
23 minimum amount necessary to make the project feasible;

24 (5) The project will have a significant impact on the economic  
25 condition of the city or town, including but not limited to, the gen-  
26 eration or retention of long-term employment, increasing munic-  
27 ipal revenues such as property taxes, or increasing the supply of  
28 housing affordable to low and moderate income households; and

29 (6) There exist firm commitments of private or other public  
30 resources in amounts sufficient, when added to the amount of the  
31 proposed grant, to render the project financially sound.

32 Within a reasonable time after application of a grant, the  
33 department shall give written notice to the applicant of its deci-  
34 sion with respect to the application.

35 (c) The department may promulgate such rules and regulations  
36 as are necessary to effectuate the objectives of this section. In  
37 establishing criteria for the purpose of making grants under this  
38 section, the department shall include but not be limited to the  
39 following:

40 (1) the comparative degree of economic distress among appli-  
41 cants;

42 (2) the comparative degrees of physical deterioration of the  
43 areas in question;

44 (3) demonstrated performance of the eligible entity in housing  
45 and community development programs;

46 (4) impact of the proposed community development project on  
47 the special problems of low and moderate income persons and  
48 minorities;

49 (5) the extent of financial participation by other public or pri-  
50 vate entities;

51 (6) the extent to which the project represents a special or  
52 unique opportunity to meet local priority needs;

53 (7) the impact of the proposed project on the residents, particu-  
54 larly those of low and moderate income, of the residential neigh-  
55 borhood, and on the neighborhood in which the project is to be  
56 located; and

57 (8) the feasibility of accomplishing the proposed project in a  
58 timely fashion within the grant amount available.

59 (d) The department shall give priority to applications for grants  
60 which promise to (1) provide substantial employment or other  
61 direct benefit for low-income persons; (2) significantly improve  
62 the condition of a low-income neighborhood; (3) provide rein-  
63 forcement for other housing or other community development-  
64 related investments by the commonwealth; or (4) combine the  
65 aforementioned characteristics.